L11245-3-D

SERVICE SECTOR INDICATORS

CIBCR

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

July 1988

SERVICE ECONOMY GROWTH REMAINS FIRM

In June the coincident index for service sector economic activity grew at a smoothed annual rate (see footnote to chart) of 3.4%. This represents a continuation of a relatively stable growth pattern for services since the beginning of 1987.

The leading index, which has been found to lead service sector activity by about six months, grew at an annual rate of 2.0% in June. Growth rates in this index have been somewhat subdued since late 1987. This suggests that growth in service sector activity will continue at recent levels or possibly weaken slightly during the remainder of 1988.

- Dr. Allan P. Layton

GROWTH RATES IN LEADING AND COINCIDENT INDEXES FOR SERVICES

Growth rates are based on the ratio of the current month's index to the average index for the preceding twelve months, expressed as a compound annual rate. Vertical lines are peaks (P) and troughs (T) in the business cycle chronology.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Corporate Profits, Services (bil. 1982-84 $, ann. rate)
	1.	2.	3.	4.	5.	6.
1987:						
Jan.	156.9	2.5	32.80	829	93.5	108.5
Feb.	158.1	3.4	32.99	756	97.5	109.1
March	158.2	3.0	32.92	799	100.0	106.4
April	157.9	2.3	32.95	827	95.0	103.6
May	157.6	1.6	32.99	743	93.6	100.9
June	158.7	2.6	32.88	904	100.1	101.9
July	159.3	2.9	32.93	857	101.1	102.9
Aug.	160.7	4.2	33.06	851	107.7	103.8
Sept.	160.5	3.4	33.00	884	103.4	102.9
Oct.	159.4	1.6	32.97	813	92.1	102.0
Nov.	158.4	0.1	32.96	779	81.8	101.1
Dec.	157.9	-0.7	32.68	890	79.2	101.8
1988:						
Jan.	158.8	0.1	32.88	716	82.3	102.5
Feb.	160.5	2.0	32.94	948	86.0	103.2
Mar.	159.2	0.2	32.70	771	87.5	---
Apr.	160.4	1.6	33.01	718	85.3	---
May	159.3	0.0	32.77	716	83.0	---
June	161.1	2.0	32.85	782	89.2	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1987:						
Jan.	173.0	2.7	1769.9	1213.5	635.935	101.958
Feb.	174.2	3.6	1778.2	1222.1	640.043	102.936
March	174.7	3.6	1784.5	1230.3	640.428	102.898
April	174.8	3.3	1790.9	1232.1	642.172	102.461
May	175.7	3.8	1797.2	1236.3	644.708	103.613
June	175.8	3.3	1800.3	1238.1	643.458	103.621
July	176.5	3.6	1803.5	1245.7	646.298	104.051
Aug.	177.4	4.1	1806.6	1250.1	652.241	104.764
Sept.	177.1	3.1	1811.8	1244.5	649.286	104.692
Oct.	178.1	3.7	1817.1	1256.6	654.064	105.046
Nov.	178.2	3.2	1822.3	1250.2	656.031	105.330
Dec.	178.1	2.5	1826.0	1254.1	653.886	104.830
1988:						
Jan.	179.3	3.4	1829.7	1260.7	660.884	105.932
Feb.	180.3	3.9	1833.4	1268.2	663.790	107.072
Mar.	179.8	2.8	1836.9	1269.0	659.442	106.348
Apr.	181.2	3.7	1840.5	1272.9	669.368	107.406
May	181.1	3.1	1844.0	1276.1	667.801	107.061
June	181.8	3.4	---	1284.9	667.021	107.747

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

Sources:
3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. Department of Commerce, Bureau of Economic Analysis. Quarterly data interpolated by CIBCR and deflated by the CPI, All Urban Consumers, seasonally adjusted.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977=100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.

Center for International Business Cycle Research (CIBCR)

U1245-3-P

SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

August 1988

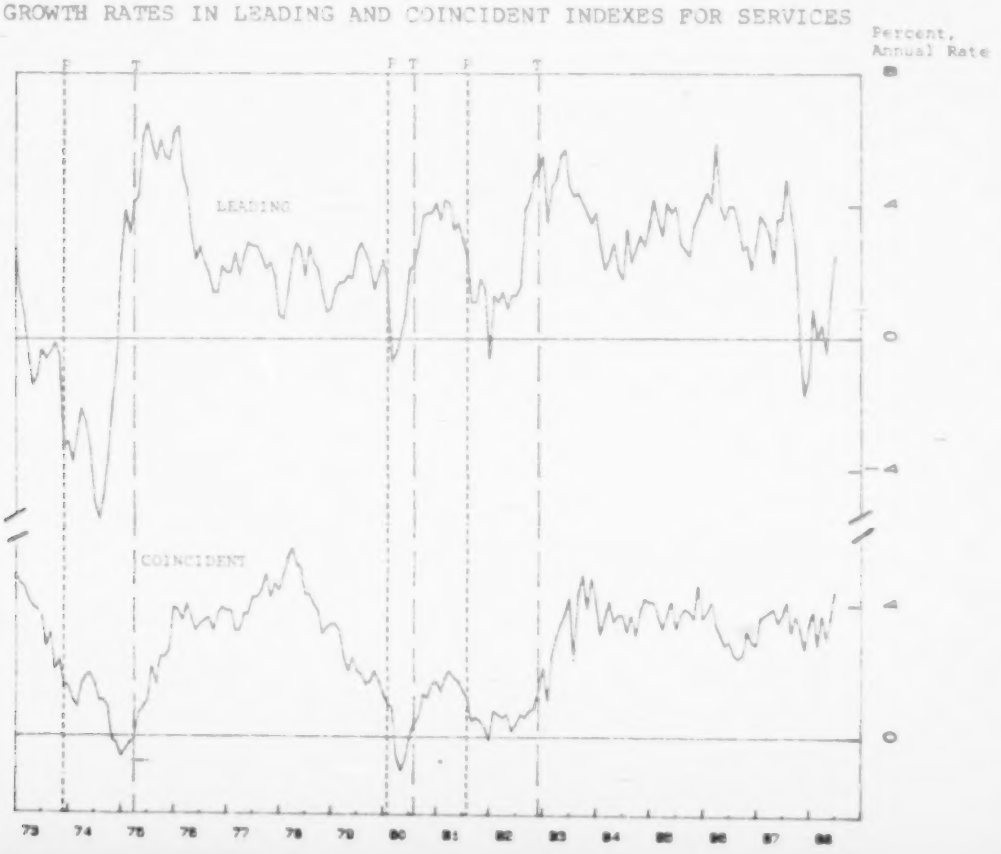
SOLID GROWTH IN SERVICES CONTINUES

In July the coincident index for service sector economic activity grew at a smoothed annual rate (see footnote to chart) of 4.4%, up from 3.6% in June. This is the largest growth rate in the index since the beginning of 1987 and suggests that current services sector activity remains buoyant.

The leading index, which has been found to lead service sector activity by about six months, grew at an annual rate of 2.5% in July, up from a revised 1.3% in June. While the latest result is encouraging, the performance of this index has been relatively subdued since November 1987. This weakness in the leading index suggests that services economic activity may moderate towards the end of the year or early 1989.

- Dr. Allan P. Layton

GROWTH RATES IN LEADING AND COINCIDENT INDEXES FOR SERVICES



Growth rates are based on the ratio of the current [illegible]

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1987:						
Jan.	147.6r	2.8r	32.80	829	93.5	112.8
Feb.	148.6r	3.7r	32.99	756	97.5	113.0
March	148.9r	3.5r	32.92	799	100.0	112.6
April	149.1r	3.2r	32.95	827	95.0	113.3
May	148.7r	2.3r	32.99	743	93.6	111.9
June	150.0r	3.6r	32.88	904	100.1	113.3
July	150.4r	3.6r	32.93	857	101.1	113.6
Aug.	151.7r	4.8r	33.06	851	107.7	113.9
Sept.	151.4r	3.8r	33.00	884	103.4	113.6
Oct.	151.1r	2.8r	32.97	813	92.1	115.7
Nov.	149.0r	-0.3r	32.96	779	81.8	111.3
Dec.	148.1r	-1.7r	32.68	890	79.2	110.3
1988:						
Jan.	148.6r	-1.2r	32.88	716	82.3	109.8
Feb.	150.3r	0.9r	32.94	948	86.0	110.6
Mar.	149.8r	0.0r	32.70	771	87.5	111.9
Apr.	150.2r	0.4r	33.01	718	85.3	110.1
May	149.7r	-0.4r	32.77	716	83.0	110.6
June	151.0r	1.3r	32.85	782	89.2	111.5
July	152.1	2.5	33.03	771	88.7	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1987:						
Jan.	173.1r	2.8r	1769.9	1213.5	635.935	102.269r
Feb.	174.2	3.6	1778.2	1222.1	640.043	103.100r
March	174.7	3.7r	1784.5	1230.3	640.428	103.256r
April	175.3r	3.8r	1790.9	1232.1	642.172	103.776r
May	175.9r	3.9r	1797.2	1236.3	644.708	104.084r
June	176.0r	3.5r	1800.3	1238.1	643.458	104.339r
July	176.7r	3.7r	1803.5	1245.7	646.298	104.771r
Aug.	177.6r	4.1	1806.6	1250.1	652.241	105.332r
Sept.	177.3r	3.2r	1811.8	1244.5	649.286	105.391r
Oct.	178.3r	3.7	1817.1	1256.6	654.064	105.736r
Nov.	178.5r	3.3r	1822.3	1250.2	656.031	106.077r
Dec.	178.4r	2.7r	1826.0	1254.1	653.886	105.794r
1988:						
Jan.	179.5r	3.4	1829.7	1260.7	660.884	106.641r
Feb.	180.5r	3.8r	1833.4	1268.2	663.790	107.636r
Mar.	180.0r	2.8	1837.5r	1269.0	659.442	107.032r
Apr.	181.3r	3.7	1841.5r	1271.0r	669.368	108.109r
May	181.2r	3.0r	1845.6r	1272.3r	668.072r	107.786r
June	182.2r	3.6r	---	1282.3r	668.889r	108.582r
July	183.6	4.4	---	1286.0	675.776	109.595

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources:
3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
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6. This series relaces 'Corporate Profits.' The new series is monthly and available on a more timely basis. It is constructed by CIBCR using the deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
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SERVICE SECTOR INDICATORS

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Dr. Geoffrey H. Moore, Director

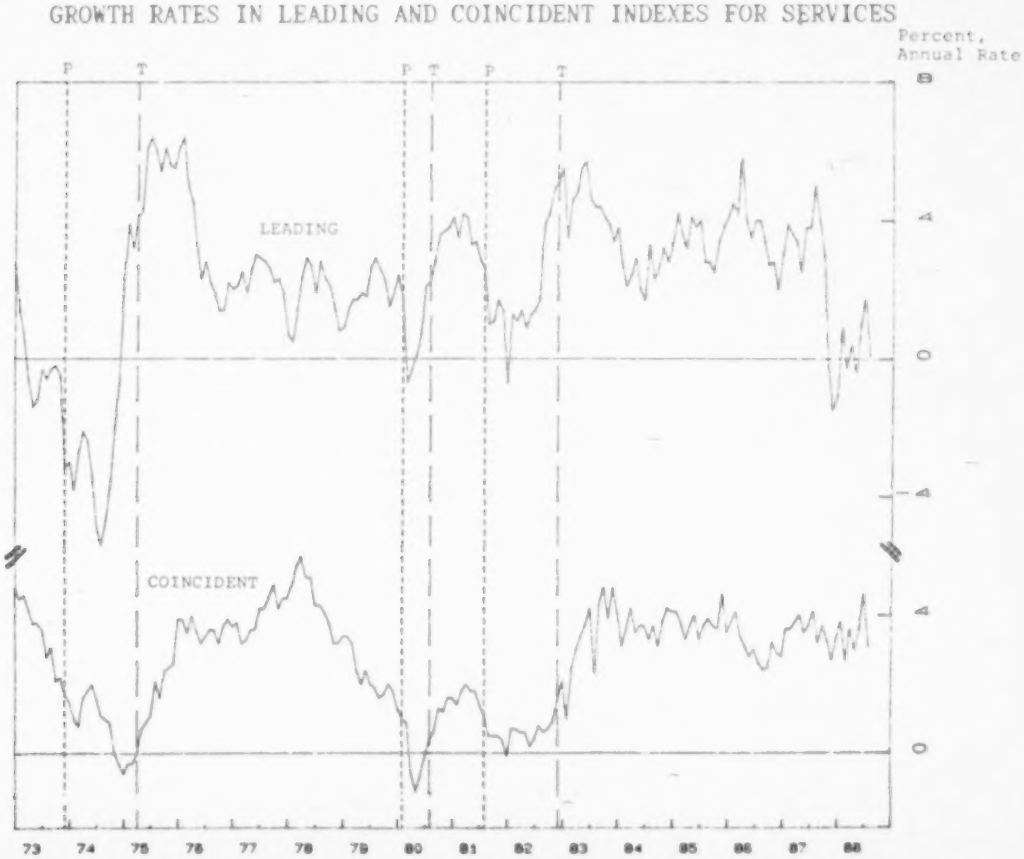
September 1988

SERVICES GROWTH MODERATES

In August the coincident index for service sector economic activity grew at a smoothed annual rate of 3.1%, down from 4.6% in July. The median monthly growth rate in this index for the past 18 months is 3.6%, suggesting that the August outcome was somewhat soft.

The leading index grew at an annual rate of 0.1% in August, down from a revised 1.7% in July. "Economic growth in the service sector seems likely to continue at a slower pace in the near term," said Dr. Allan P. Layton, who compiled the new service indicators at the Center for International Business Cycle Research.

GROWTH RATES IN LEADING AND COINCIDENT INDEXES FOR SERVICES



Growth rates are based on the ratio of the current month's index to the average index for the preceding twelve months, expressed as a compound annual rate. Vertical lines are peaks (P) and troughs (T) in the business cycle chronology.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1987:						
Jan.	147.7r	3.0r	32.80	829	93.5	113.3r
Feb.	148.8r	3.9r	32.99	756	97.5	113.5r
March	149.0r	3.6r	32.92	799	100.0	113.2r
April	149.3r	3.4r	32.95	827	95.0	113.9r
May	148.9r	2.5r	32.99	743	93.6	112.5r
June	150.2r	3.8r	32.88	904	100.1	114.0r
July	150.7r	3.8r	32.93	857	101.1	114.3r
Aug.	152.0r	5.0r	33.06	851	107.7	114.7r
Sept.	151.7r	4.0r	33.00	884	103.4	114.5r
Oct.	151.4r	3.0r	32.97	813	92.1	116.8r
Nov.	149.3r	-0.2r	32.96	779	81.8	112.4r
Dec.	148.4r	-1.5r	32.68	890	79.2	111.4r
1988:						
Jan.	148.9r	-1.1r	32.88	716	82.3	110.7r
Feb.	150.6r	0.9	32.94	948	86.0	111.6r
Mar.	149.8	-0.3r	32.70	771	87.5	111.9
Apr.	150.4r	0.4	33.01	718	85.3	110.7r
May	149.9r	-0.4	32.80r	716	83.0	111.3r
June	151.1r	1.0r	32.82r	782	89.2	111.6r
July	151.7r	1.7r	33.03	771	88.7	110.7
Aug.	150.5	0.1	32.69	820	87.9	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1987:						
Jan.	173.1	2.8	1769.9	1213.5	635.935	102.269
Feb.	174.2	3.6	1778.2	1222.1	640.043	103.100
March	174.7	3.6r	1784.5	1230.3	640.428	103.256
April	175.3	3.8	1790.9	1232.1	642.172	103.776
May	175.9	4.0r	1797.2	1236.3	644.708	104.084
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Aug.	177.6	4.1	1806.6	1250.1	652.241	105.332
Sept.	177.3	3.2	1811.8	1244.5	649.286	105.391
Oct.	178.3	3.7	1817.1	1256.6	654.064	105.736
Nov.	178.5	3.3	1822.3	1250.2	656.031	106.077
Dec.	178.4	2.7	1826.0	1254.1	653.886	105.794
1988:						
Jan.	179.5	3.3r	1829.7	1260.7	660.884	106.641
Feb.	180.5	3.8	1833.4	1268.2	663.790	107.636
Mar.	180.0	2.7r	1837.6r	1269.0	659.442	107.032
Apr.	181.3	3.6r	1841.8r	1269.4r	669.368	108.109
May	181.2	3.0	1846.1r	1272.0r	668.072	107.786
June	182.2	3.6	---	1283.1r	668.889	108.546r
July	183.7r	4.6r	---	1286.1r	676.308r	109.656r
Aug.	182.9	3.1	---	1290.3	670.918	108.895

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources:
3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
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12. Bureau of Labor Statistics, all employees.

Center for International Business Cycle Research (CIBCR)

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SERVICE SECTOR INDICATORS

CIBCR

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

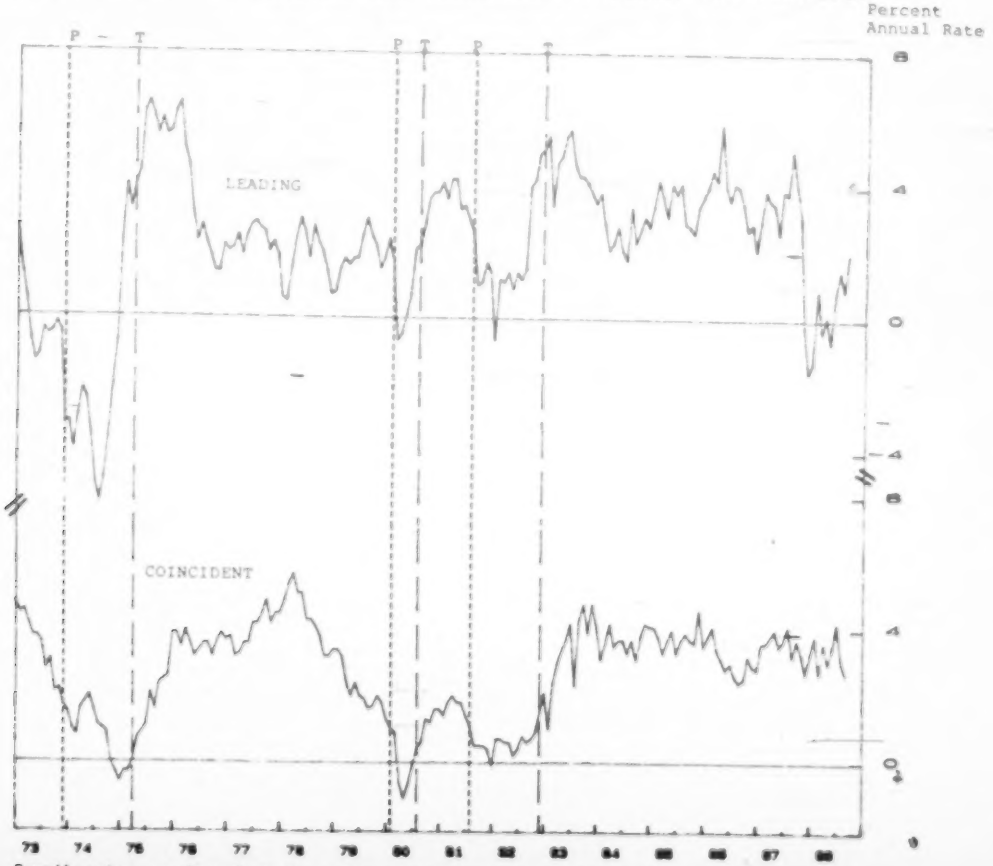
October 1988

SERVICES GROWTH CONTINUES TO MODERATE

In September the coincident index for service sector economic activity grew at a smoothed annual rate of 2.7%, down from 3.1% in August. The median monthly growth rate in this index for the previous 18 months is 3.6%, suggesting the performance of the service sector in both August and September was comparatively weak.

The leading index, which has been found historically to lead service sector activity by 6 to 12 months, grew at an annual rate of 2.0% in September, up from a revised 0.9% in August. While the September outcome is somewhat encouraging, of more importance is the generally soft performance of the index throughout most of this year (See Chart). "The service sector is apt to grow at the slower rate evident in August and September," said Dr. Allan P. Layton, who compiled the new service sector indicators at the Center for International Business Cycle Research.

GROWTH RATES IN LEADING AND COINCIDENT INDEXES FOR SERVICES



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March	148.6r	3.6	32.92	799	100.0	113.2
April	148.9r	3.5r	32.95	827	95.0	113.9
May	148.5r	2.6r	32.99	743	93.6	112.8r
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July	150.3r	3.8	32.93	857	101.1	114.5r
Aug.	151.7r	5.1r	33.06	851	107.7	114.9r
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Nov.	148.9r	-0.2	32.96	779	81.8	112.7r
Dec.	148.0r	-1.6r	32.68	890	79.2	111.6r
1988:						
Jan.	148.4r	-1.3r	32.98	716	82.3	110.7
Feb.	150.2r	0.9	32.94	948	86.0	111.6
Mar.	149.3r	-0.4r	32.70	771	87.5	111.9
Apr.	149.8r	0.1r	33.01	718	85.3	110.2r
May	149.2r	-0.7r	32.80	716	83.0	110.6r
June	150.5r	0.8r	32.82	782	89.2	111.1r
July	151.1r	1.5r	33.04r	771	88.7	110.3r
Aug.	150.7r	0.9r	32.71r	820	87.9	111.4
Sept.	151.5	2.0	32.80	771	91.0	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1987:						
Jan.	173.1	2.8	1769.9	1213.5	635.935	102.269
Feb.	174.2	3.6	1778.2	1222.1	640.043	103.100
March	174.7	3.6	1784.5	1230.3	640.428	103.256
April	175.3	3.8	1790.9	1232.1	642.172	103.776
May	175.9	4.0	1797.2	1236.3	644.708	104.084
June	176.0	3.5	1800.3	1238.1	643.458	104.339
July	176.7	3.7	1803.5	1245.7	646.298	104.771
Aug.	177.6	4.1	1806.6	1250.7r	652.241	105.332
Sept.	177.3	3.2	1811.8	1244.5	649.286	105.391
Oct.	178.3	3.7	1817.1	1256.6	654.064	105.786r
Nov.	178.5	3.3	1822.3	1250.2	656.031	106.077
Dec.	178.4	2.7	1826.0	1254.1	653.886	105.794
1988:						
Jan.	179.5	3.3	1829.7	1260.7	660.884	106.641
Feb.	180.5	3.8	1833.4	1268.2	663.790	107.636
Mar.	180.0	2.7	1837.6	1269.0	659.442	107.032
Apr.	181.3	3.6	1841.9r	1269.4	669.368	108.109
May	181.2	3.0	1846.1	1272.0	668.072	107.786
June	182.1r	3.5r	1850.5	1283.1	668.889	108.546
July	182.3r	4.2r	1854.9	1286.4r	676.839r	109.713r
Aug.	182.8r	3.1	1859.3	1291.1r	671.183r	108.899r
Sept.	182.9	2.7	---	1288.1	672.569	109.133

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
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9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977=100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.

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